

TESTIMONY OF
BONNIE STEWART
VICE PRESIDENT AND COUNSEL
CONNECTICUT BUSINESS AND INDUSTRY ASSOCIATION
BEFORE THE
FINANCE, REVENUE AND BONDING COMMITTEE
MONDAY, MARCH 21, 2011

Good Morning, my name is Bonnie Stewart. I am vice president and counsel of the Connecticut Business and Industry Association (CBIA). CBIA represents over 10,000 companies in the state ranging from large industrial corporations to small businesses with one or two employees. The vast majority of our members, about 90 percent, have fewer than 50 employees.

“Over the past five years, I've made it my business to meet with workers and their families across the state. From Greenwich to Griswold and from Stonington to Salisbury, one message is clear -- economic security is the biggest concern of Connecticut workers” said Governor Malloy, and he is right. Yet before the committee today is **HB-6560, An Act Concerning Disclosure Of Tax Incentives Provided To Businesses**, a measure that would deter private-sector investment and job creation in Connecticut and slow economic recovery.

CBIA opposes **HB-6560** because we want private-sector investment and job creation to drive Connecticut's economic recovery. Unfortunately, **HB-6560** would have the opposite effect because it would require the Department of Revenue Services to publicly disclose certain private company financial information that is also strategic, competitive and confidential knowledge about Connecticut's private companies.

It is routine procedure for many companies to have competitive intelligence analysts. This measure would allow such analysts to scrutinize their competitors' return information to determine how much money was spent on research and development, or fixed capital. Disclosure of that information, as well as other data that would be released to the public, would allow other companies to determine the status of their competition, whether the competition had made a technological breakthrough and other revealing insights. Would this negatively impact Connecticut companies? Absolutely.

We were recently told by someone involved in both politics and business that if you think political competition is tough, look again because “in the business world, in the world of commerce, [it is] even more intense. And ... the kind of investigatory capabilities that are available today are mind-boggling to say the least.”

That person rightfully went on to say that “we need to do everything we can for Connecticut companies to keep them competitive. And it's not just a national

competitive landscape. It's a truly world, global economy these days. And I know for a fact from personal experience that the kind of quote/unquote spying that goes on is ... intense. So, let's not make it easy for people in the same industry, same businesses, to find out competitive information that can be used against Connecticut companies."

Please reject HB-6560 because it is a measure that would cast a blow to Connecticut's companies as well as create a heavy strike against efforts in Connecticut to appear more business-friendly. Instead, we ask you to promote tax policy that encourages business investment, innovation and productivity in the state.

Thank you for the opportunity to share our concerns with you.